



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

THIS CITY WORKS FOR YOU

Development Issues in Cape Town



IDP Spatial Co-ordination workshop

21 August 2006

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Information & Knowledge Management

Agenda



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- Context
- Driver – population
- 7 development issues (from IDP – IGR)
- Capital investment patterns
- Scenarios
- Conclusion

Introduction



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- First decade of democracy significant improvement to quality of life for many South Africans
- Number of challenges remain:
unemployment, poverty, housing backlog, HIV/AIDS, tuberculosis, crime, overburdened infrastructure, inefficient resource use & increasing pollution levels
- Above are inter-related & require integrated, strategic actions



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Overall Developmental Context

- Last decade - real progress in number of sectors
- But poverty & its related problems have persisted in midst of economic affluence
- Economic development not accompanied by attendant degree of social progress

Population Growth

- 1996-2001: characterised by rapid growth
- Average growth rate of 3% in 1996
- Growth rate decreased to 1.61% in 2006

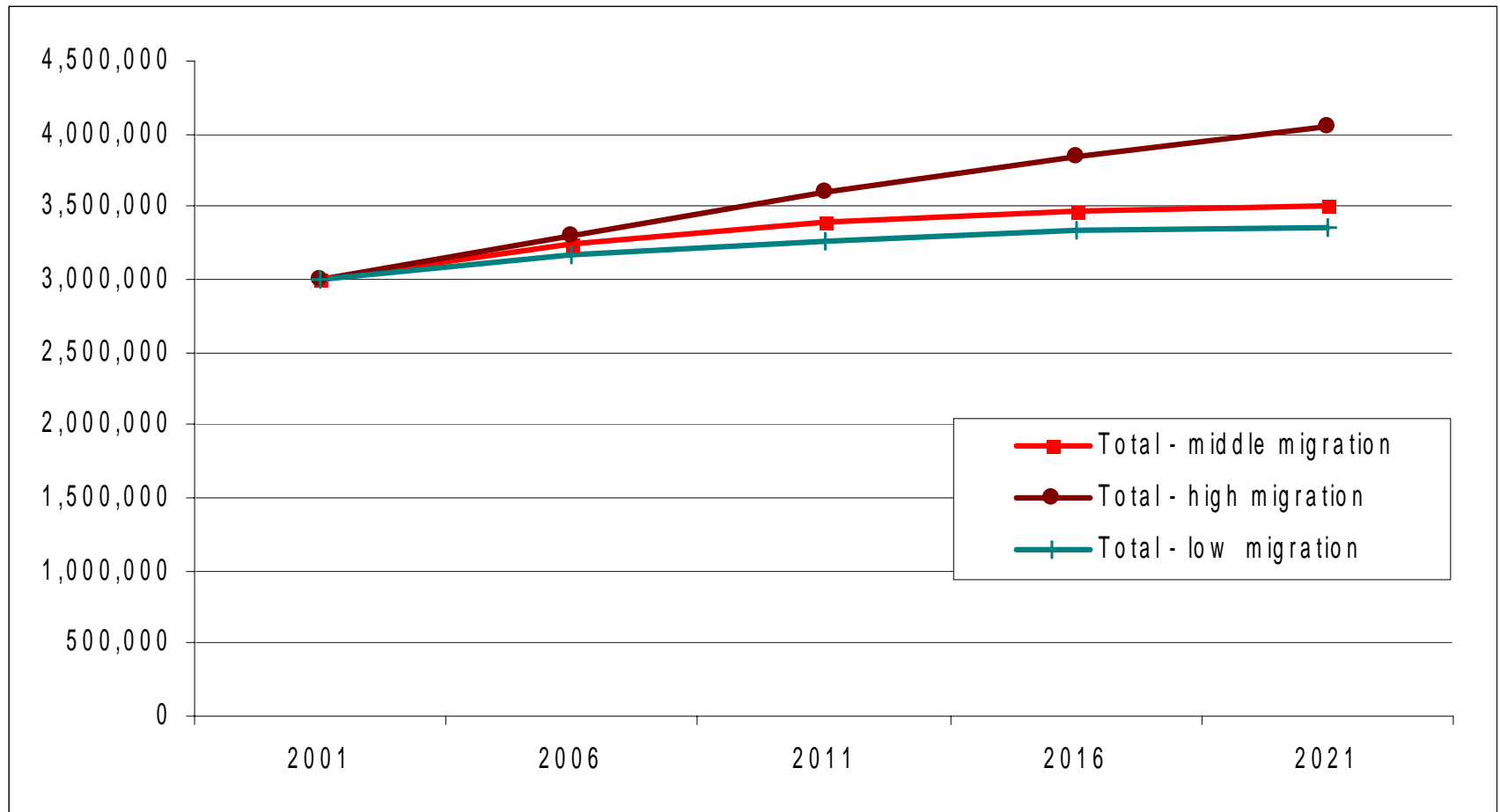


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Population Growth

Population growth expected to slow dramatically over next 15 years:



Population Growth

- Growth slowing due to:
 - reduced fertility
 - impact of HIV/AIDS
 - reduced migration to city
- Implications
 - Ageing population requires appropriate social & healthcare facilities
 - Mechanisms must be found to engage youth through sport, recreation & employment

Socio-Economic conditions

- Changes to development path of city constrained by trends which are reinforcing social / spatial segregation & inequalities
- Problem is not absence of economic growth - but failure to harmonize economic & social development objectives
- Benefits of economic progress do not reach population as a whole

Socio-Economic conditions

Reflected in:

- Unemployment: from 13% (1997) to 23% (2004)
- People in informal settlements - from 23 000 families (1993) to 115 000 families (2006)
- Households living below or marginally above household poverty line- from 25% (1996) to 38% (2005)
- HIV prevalence continued to rise in line with national trends: from 3 % (1996) to 15.7% (2005)

DEVELOPMENT ISSUES

IDP - IGR

- Environment
- Spatial and Regional Planning
- Human and Social Development
- Economy
- Integrated Human Settlements
- Transport
- Crime



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ENVIRONMENT



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- Acute pressures on key environmental resources
- Major obstacles to economic & social progress
- Pressure on water resources
- Recent shortages in energy supply
- Emerging crisis around regional landfill site and high levels of waste (amount of waste disposed per capita increasing at alarming rate - 60% increase from 1999 to 2005)

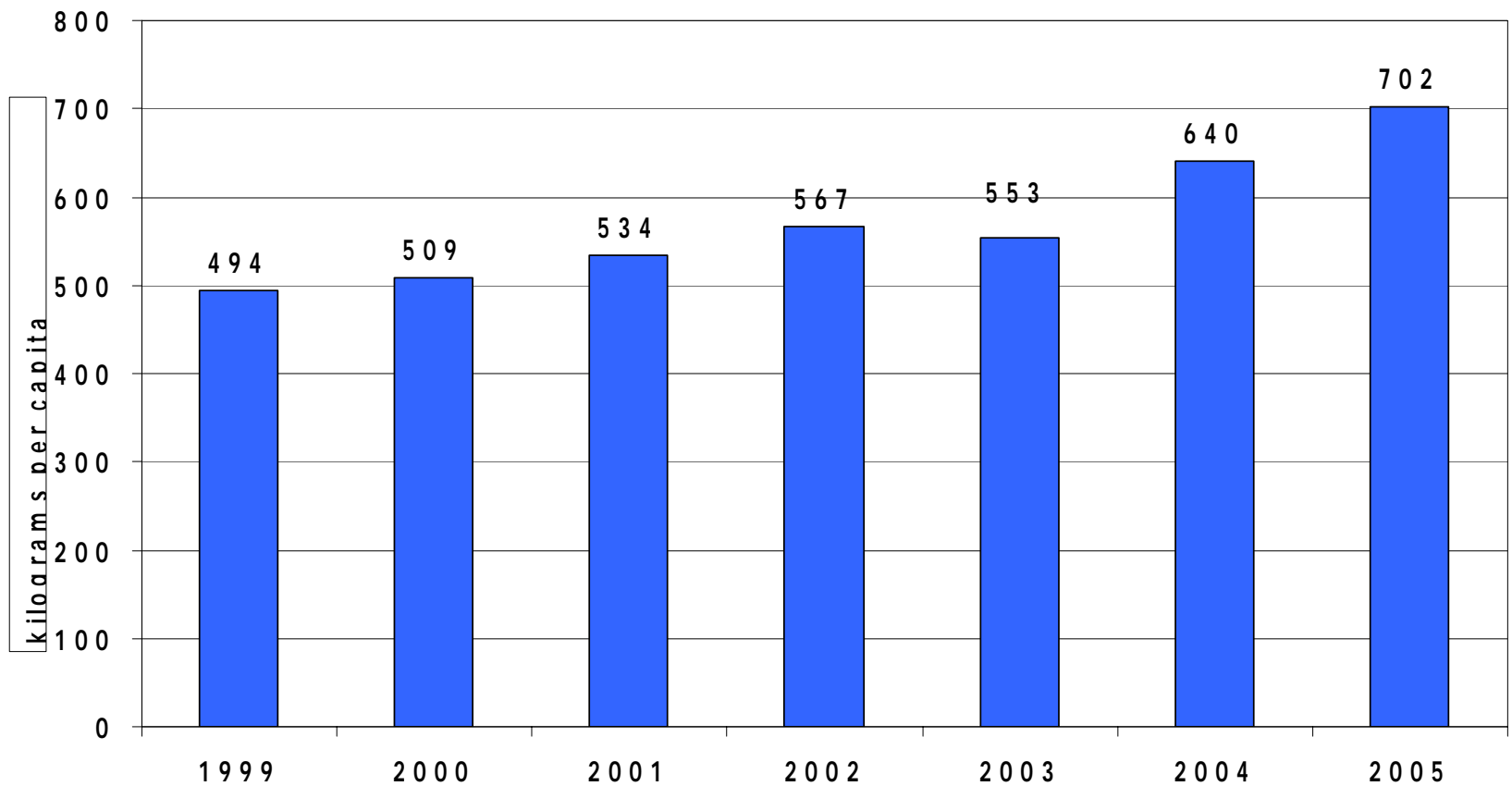
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Annual waste disposed per capita



SPATIAL & REGIONAL PLANNING

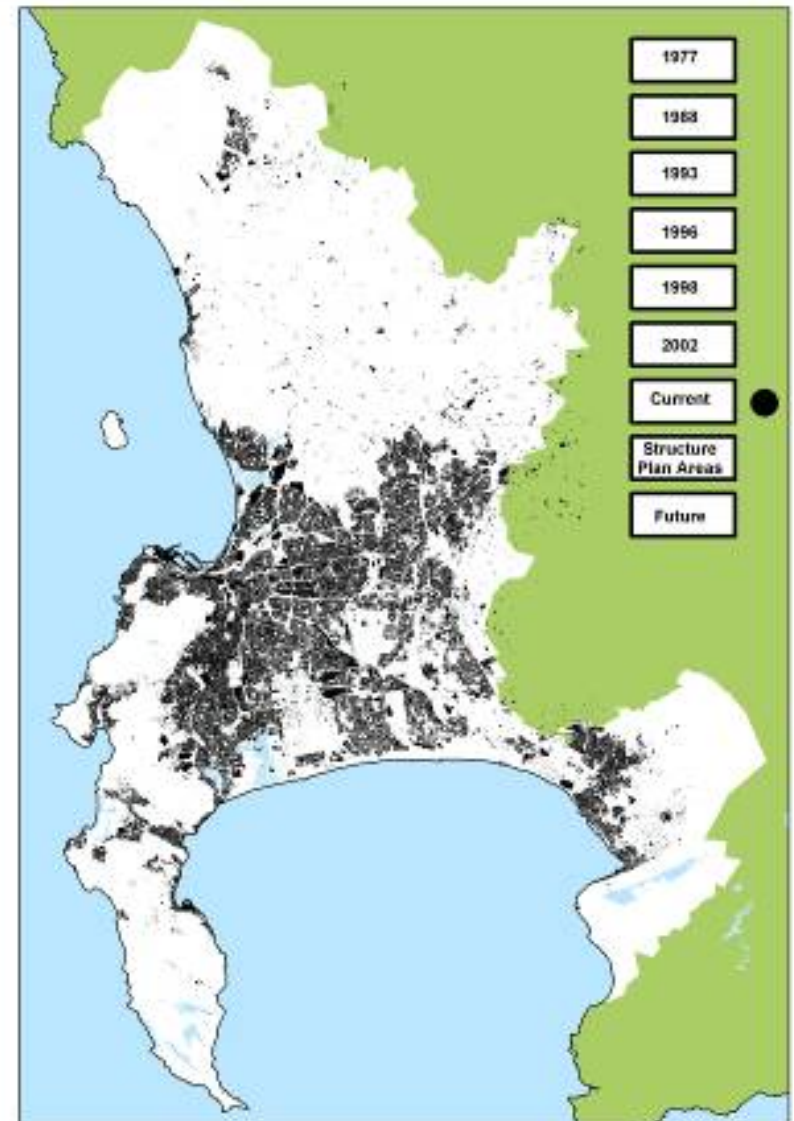
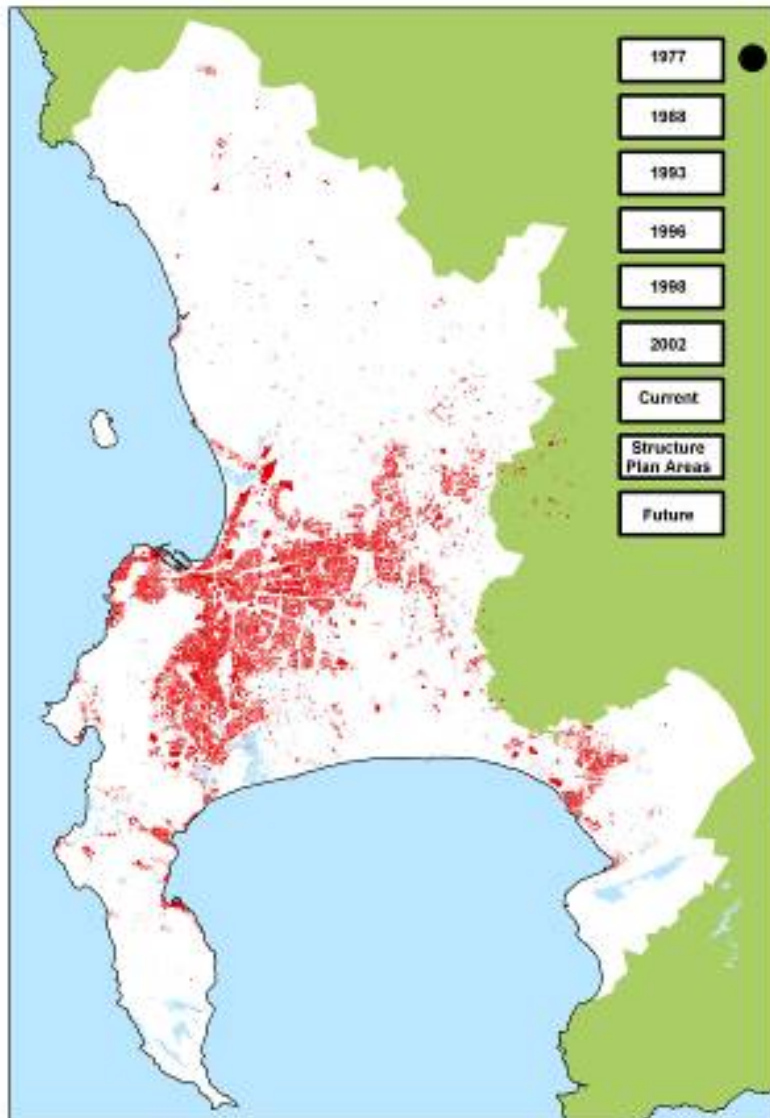


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- Current urban form:
 - unsustainable
 - economically unproductive
 - prohibits integration
- Addressing sprawl is a key challenge
- Cape Town grew by 40% in area between 1985-2005

City's footprint: 1977 versus 2006



HUMAN & SOCIAL DEVELOPMENT



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- Social & economic challenges are reflected in:
 - high levels of absolute poverty
 - inadequate housing
 - poor health status
 - exclusion of certain segments of population

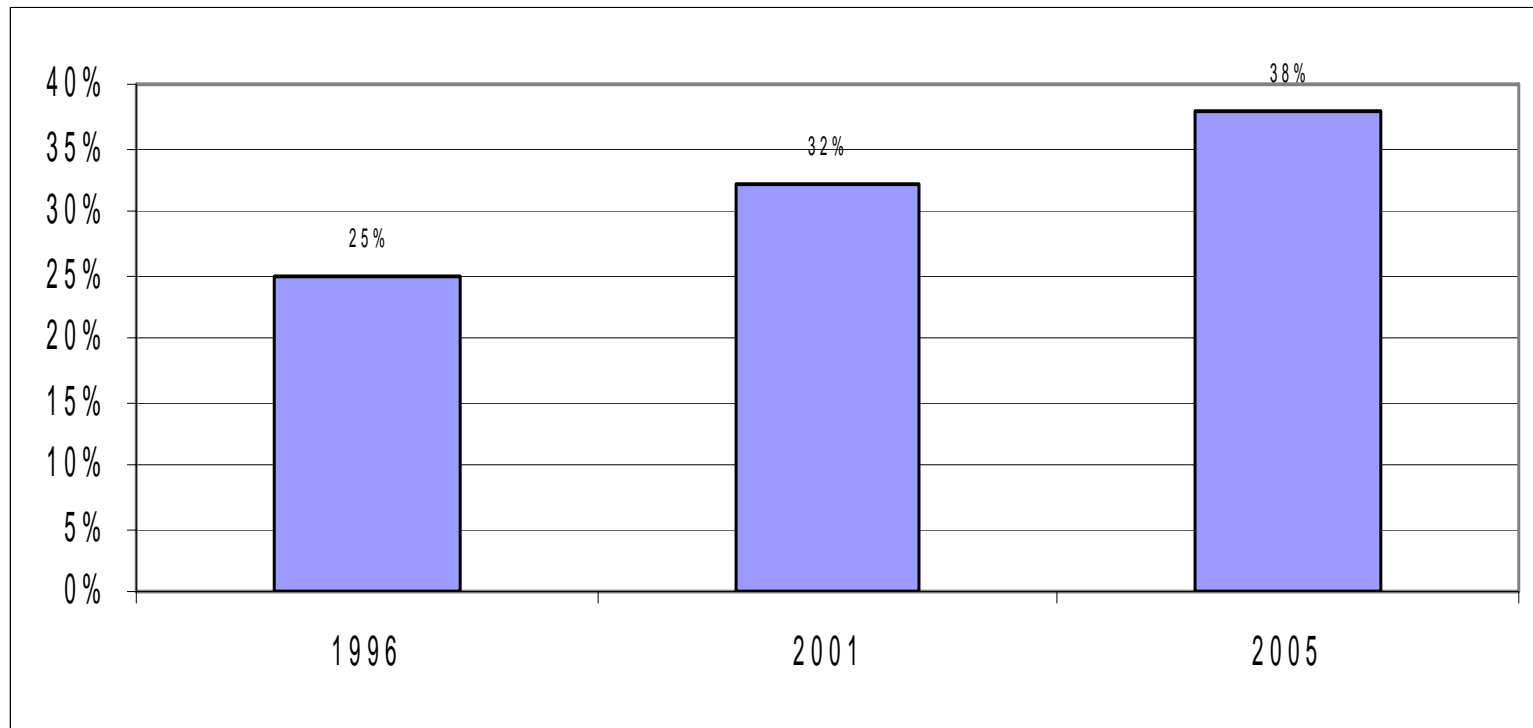
Human & Social Development



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Poverty (% of population living below household subsistence level)



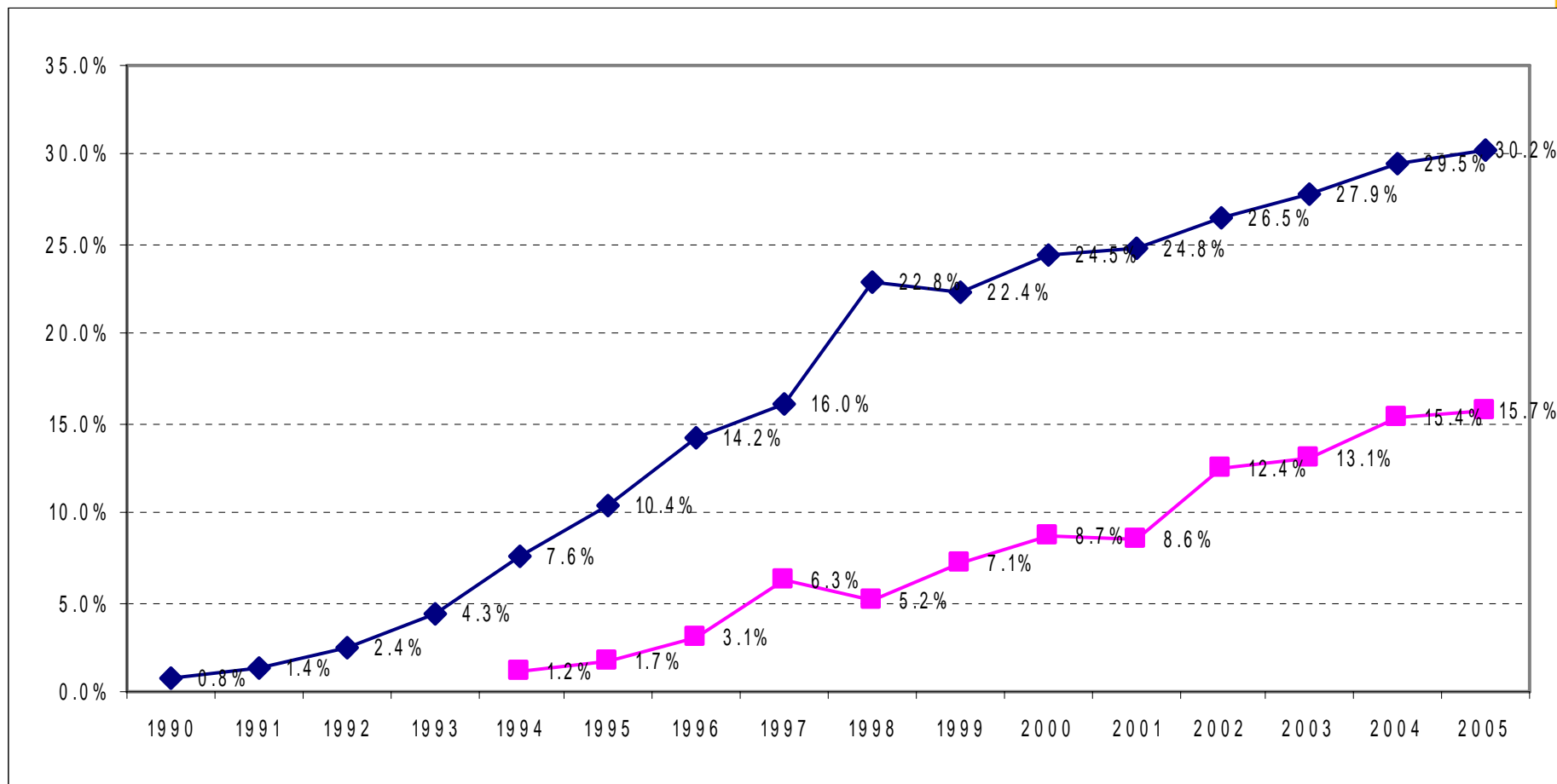
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HIV prevalence (national – blue and Provincial – pink)



Human & Social Development: implications



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- Highest prevalence: Nyanga & Khayelitsha (higher than national – 30%)
- Many residents poor, uneducated, with little HIV/AIDS prevention education, & poor access to health care
- Need for youth development strategies to address future poverty, HIV/AIDS & unemployment (given 50% of population will be younger than 31 years)
- Goals only achieved through coordinated efforts of 3 spheres of government & active involvement of civil society

Economy



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- City economy contributed 11.1% to GDP (2005)
- Main challenge: creation of employment opportunities
- Unemployment has grown from 13% (1997) to 23% in 2004
- Distribution of economic growth - highly skewed towards those with skills & access to resources
- Large majority precluded from meaningful participation in economy

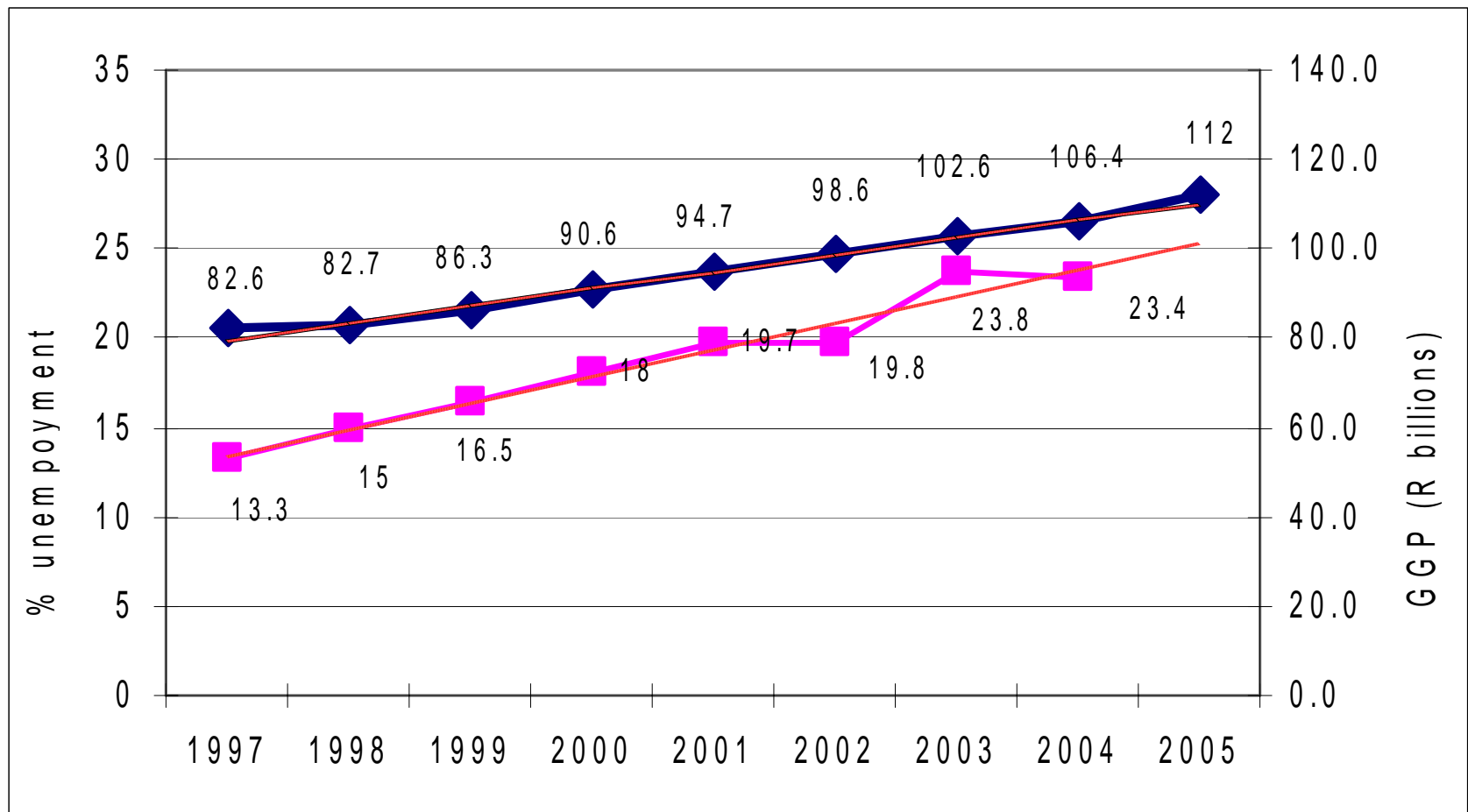
Economy



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Comparison of level of unemployment (pink) & GGP (blue)



INTEGRATED HUMAN SETTLEMENTS



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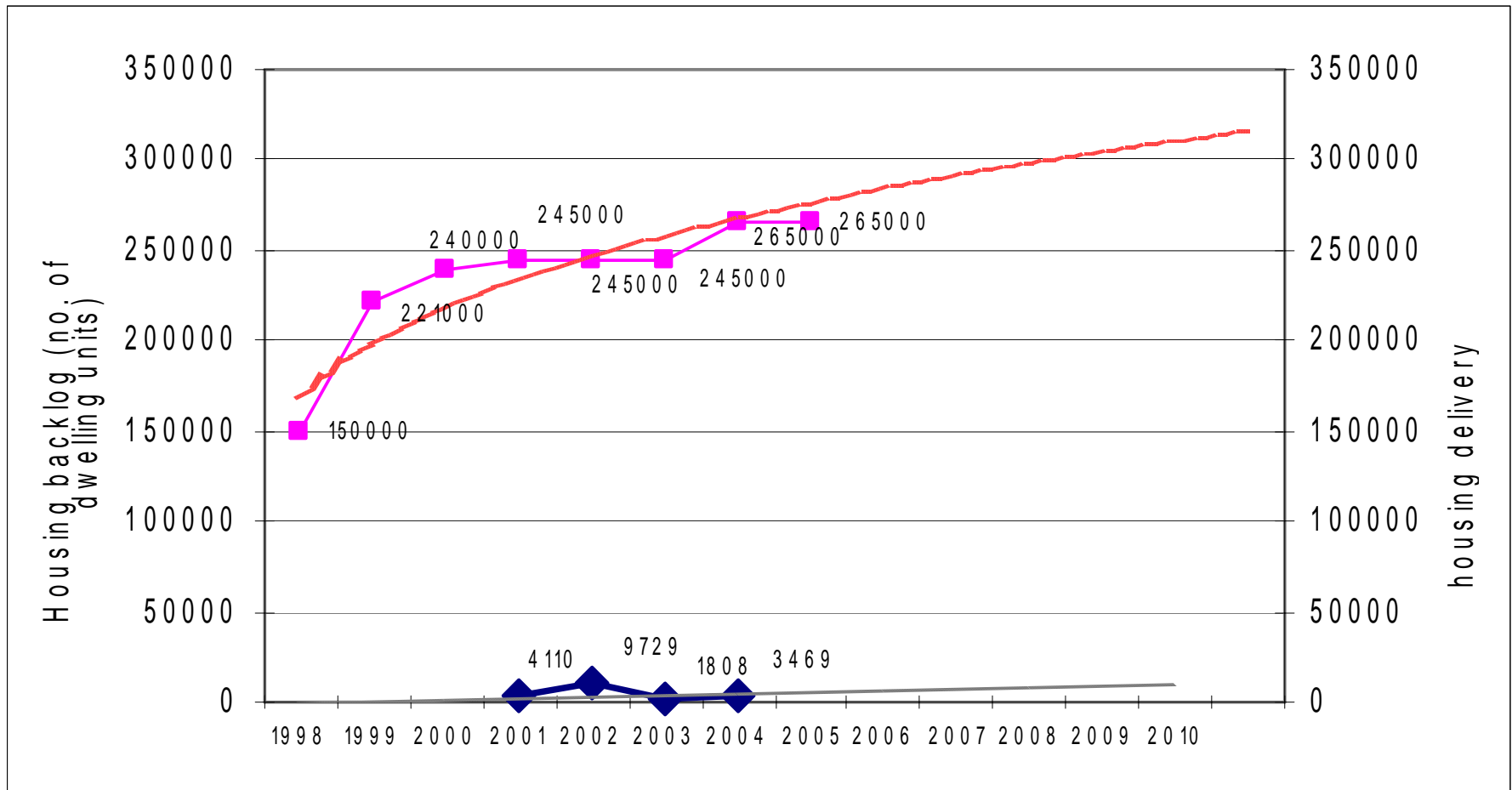
- Many residents live in informal settlements:
 - Approx. 14% of all housing is informal housing
 - 260 000 - 400 000 households presently living in depressed physical conditions
- Inadequate services & infrastructure
- Resulting in social & economic problems
- Key challenge: managing housing & infrastructural demands & backlogs

Integrated Human Settlements



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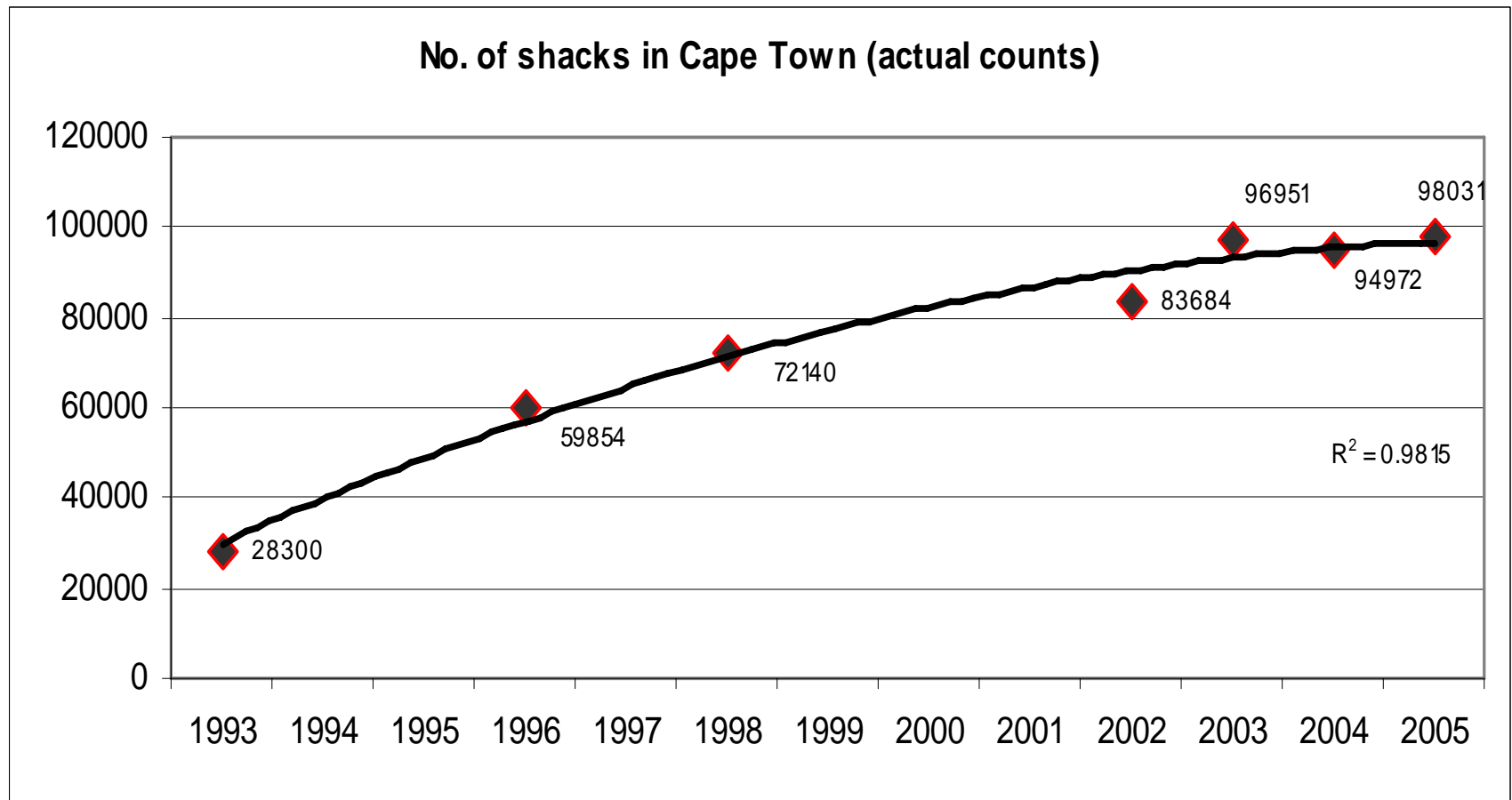


Integrated Human Settlements



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TRANSPORT



- Outdated transport network- focussed on private car use & 'traditional' destinations (e.g. CBD)
- Current urban form generates large amounts of movement
- Great financial, social & environmental cost to city
- Increase of 23 323 vehicles 2001-2003

Transport



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- Life inconvenient & expensive for those who cannot afford a car .
- Poor have little access to economic/social opportunities
- Public transport system inefficient:
 - difficult to switch from one mode to another
 - some parts of city inaccessible

CRIME



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- High crime rate- a main challenge
- Negatively affects economy:
 - tourists put off
 - businesses discouraged from investing
- Contributes to rising poverty- limits assets & livelihood sources of poor
- Fear of crime leads to fragmentation & polarisation in city

Crime

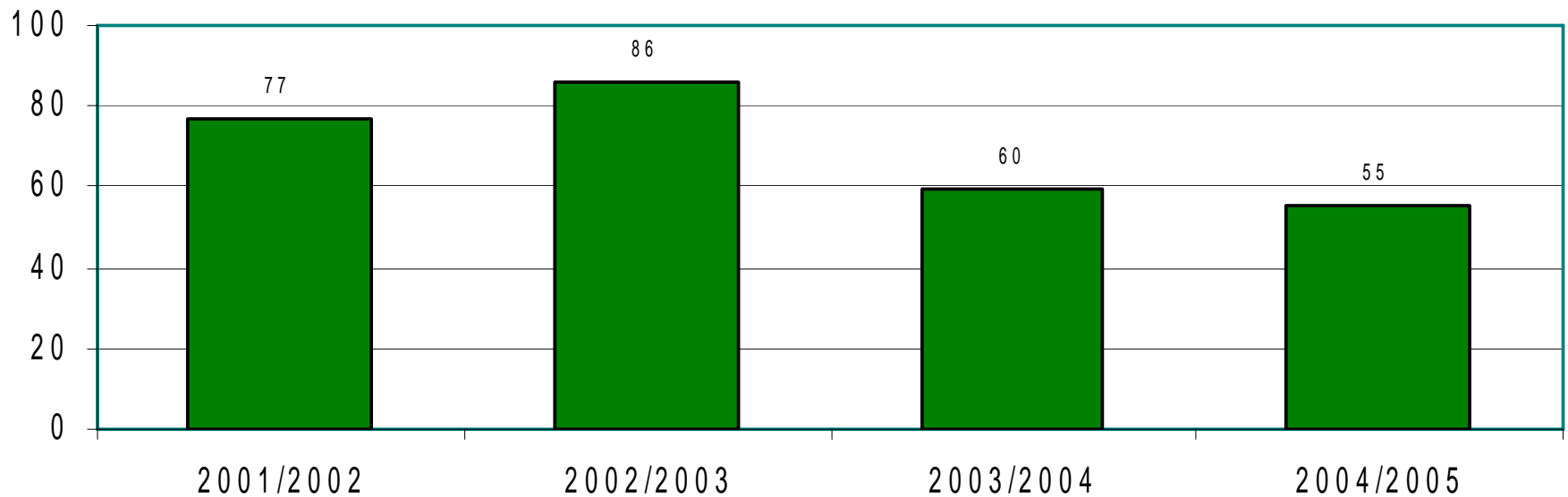


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Incidence of murder (per 100 000 of population)

Murder rate per 100 000



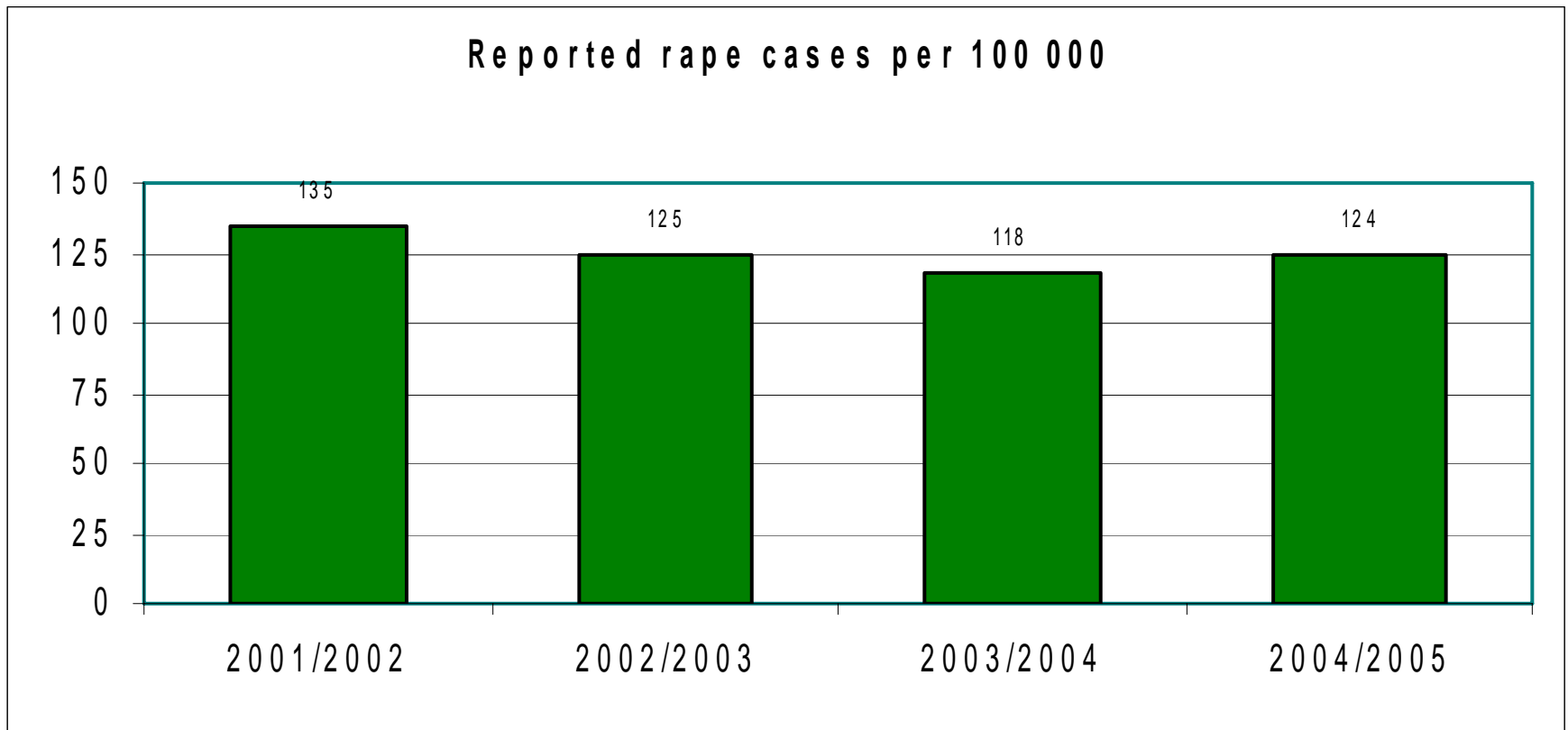
Crime



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Incidence of rape (reported cases per 100 000 population)



Crime

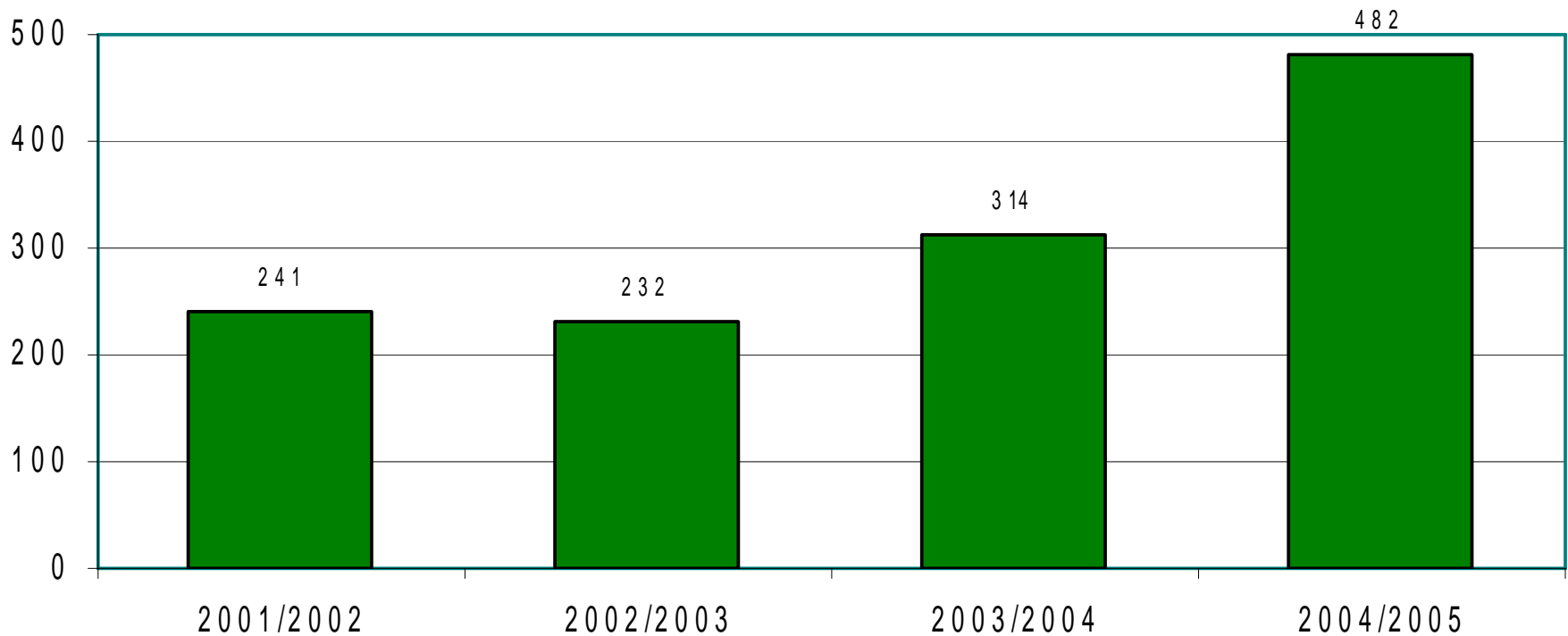


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Drug-related crime

Drug related crime per 100 000



Capital Investment Patterns 2001 - 2005



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- UNDP – Environmental Resource Management
- MCA – Sustainability Institute
- Resource flows

Capital Investment Patterns 2001 - 2005

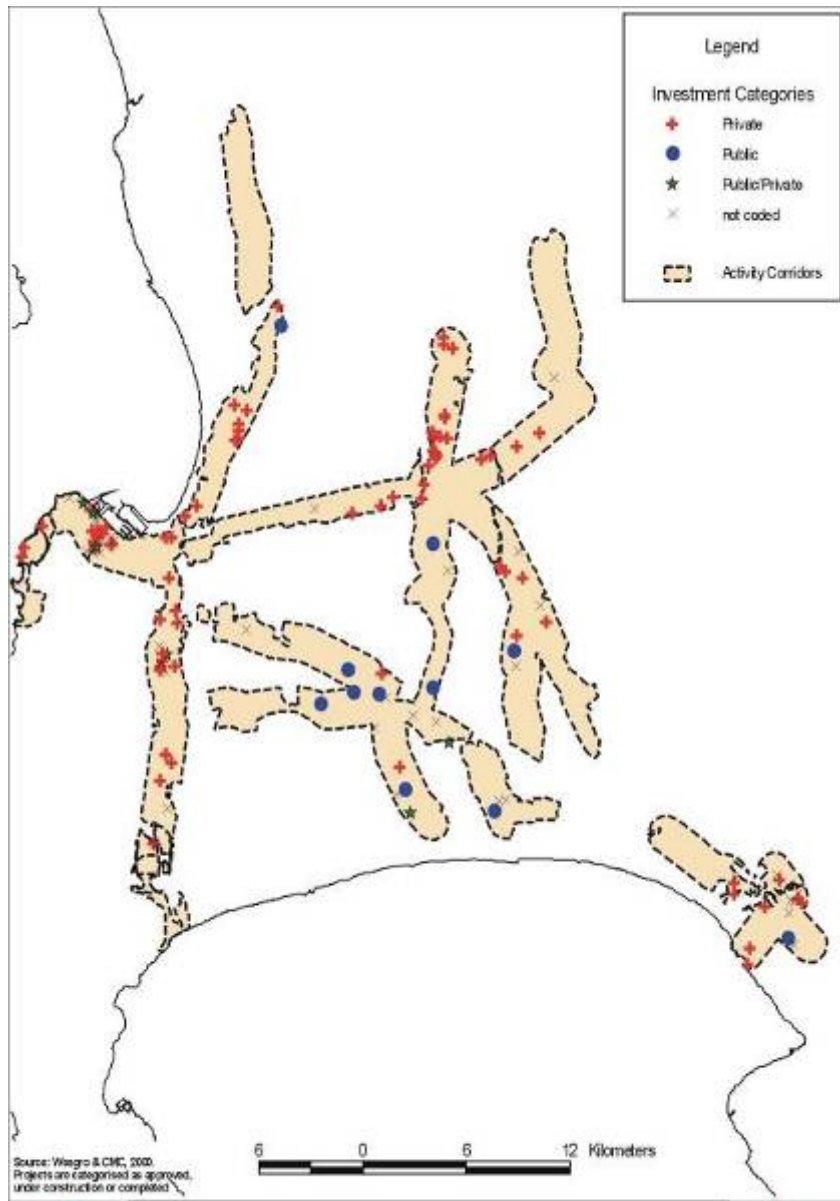


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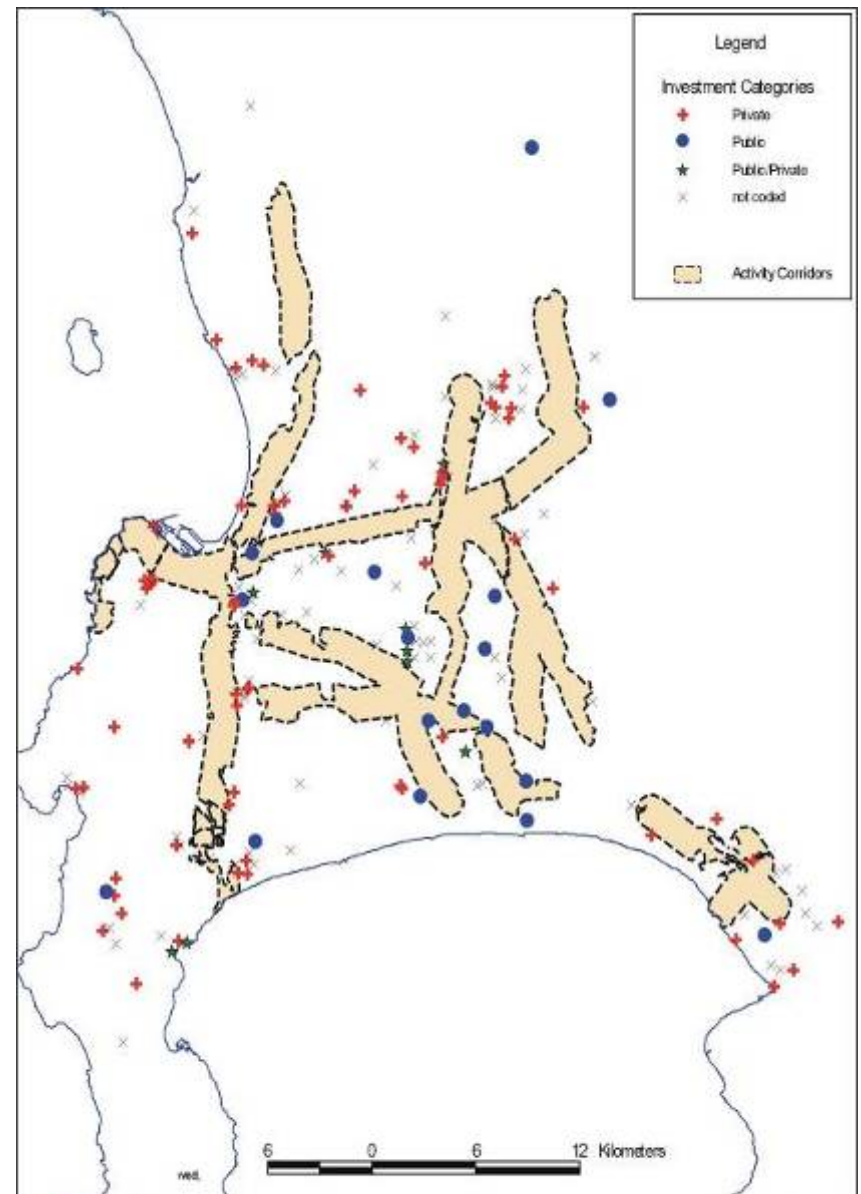
The ideas and concepts presented in the MSDF are as relevant today as they were when it was drafted. More importantly, the development challenges the region 15 years ago seem as apt today as they were then. ,

In 2006, even a cursory glance at Cape Town suggests that not much has changed in terms of development patterns from 15 years ago. Whilst the plan above looks impressive, many of the projects identified there have yet to reach fruition. Apartheid has become concretised in the many new low-income housing estates. New malls have sprung up (such as Cape Gate and Century City), there are more cars on the road than ever before and the modal split between public and private transport remains unchanged. Significantly, there have been no changes to the way in which water, waste water, solid waste and energy is 'delivered' and distributed.



SOCIO-ECONOMIC AND SPATIAL INFORMANTS: WORKING DRAFT

Map 6: Private and Public Sector Investment within the Activity Corridors (value of projects above R10mil)



SOCIO-ECONOMIC AND SPATIAL INFORMANTS: WORKING DRAFT

Map 7: Private and Public Sector Investment outside the Activity Corridors (value of projects above R10mil)



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TOTAL INVESTMENT WITHIN CORRIDORS	
UNDER CONSTRUCTON	R 4,301,642,000,000
UNDER CONSTRUCTON BILLIONS	R 4,800,000,000,000
COMP FINAL	R 2,152,945,000,000
C AREAS PFINAL2	R 541,000,000
APPROVED	R 2,479,000,000
TOTAL	R 11,257,607,000,000

TOTAL INVESTMENT OUTSIDE OF CORRIDORS	
UNDER CONSTRUCTON	R 10,803,743,700,000
UNDER CONSTRUCTON BILLIONS	R 10,300,000,000,000
COMP FINAL	R 2,017,000,000
COMP BILLIONS	R 1,117,336,000,000
C AREAS PFINAL2	R 2,522,000,000
APPROVED	R 1,602,684,000,000
APPROVED BILLIONS	R 1,600,000,000,000
TOTAL	R 25,428,302,700,000

These figures account only for projects valued at over R10million each

Capital Investment Patterns 2001 - 2005

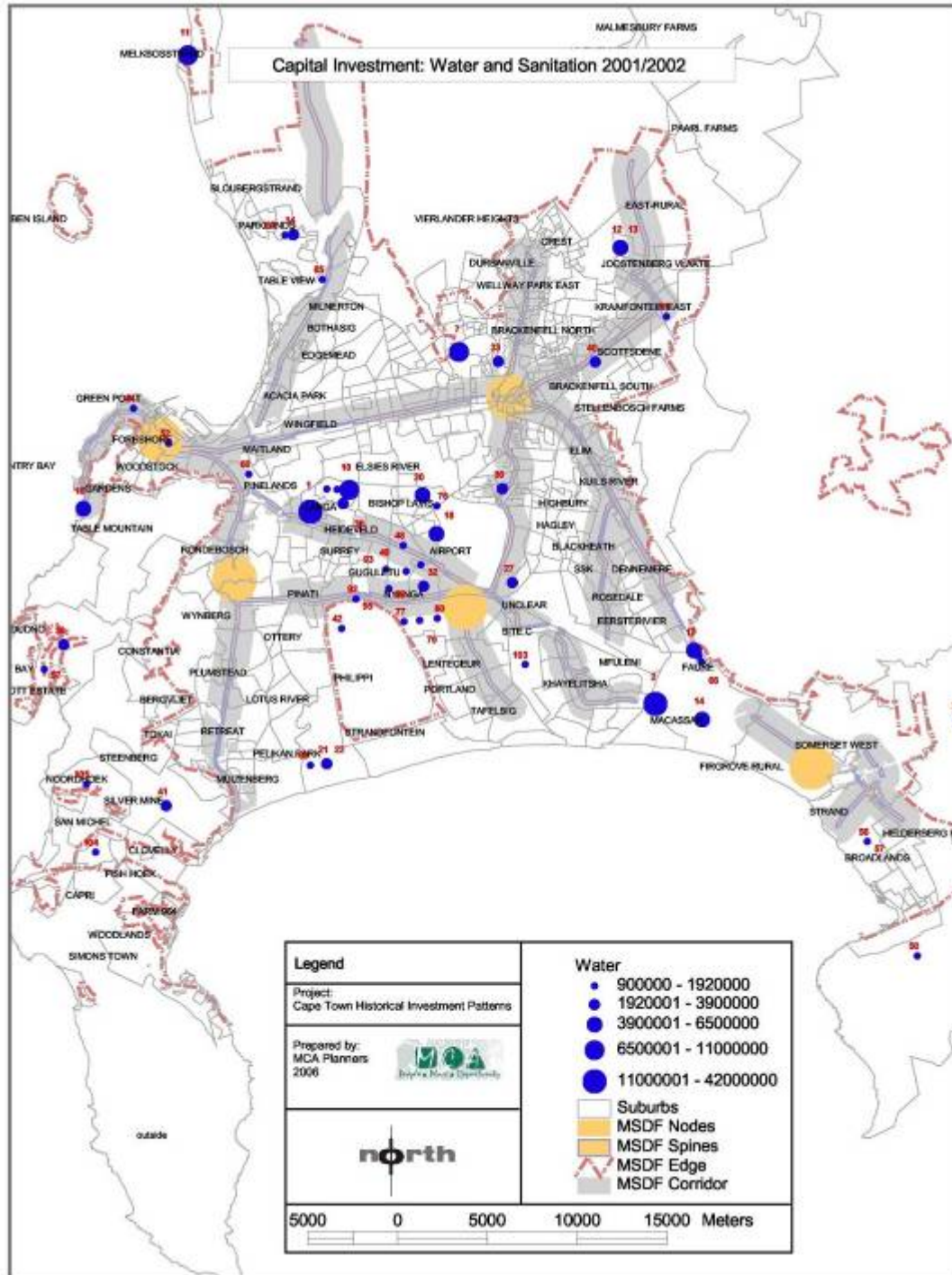


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- Housing development and meeting demand for residential growth has been a key determinant of investment in water and sanitation infrastructure. The issue here is that investment is often demand driven, ad hoc and responsive rather than co-ordinated and driven by long term strategic focus. Major investment in bulk infrastructure required for new housing development, most notably in northern areas of the city, as well as housing projects on the Cape Flats such as Delft and more recently N2 Gateway projects (albeit more limited than the former) are examples of this.
- The lack of investment in some aspects of service delivery is as important as that which has been invested in to date. Maintenance focussed capital investment has been significantly compromised in the context of great demand, limited funding and little strategic focus. For example, planned refurbishment and replacement of trunk sewers falling are behind and waste water treatment works capacity is tending to fall behind the needs, as a result of reduced budgets for maintenance and necessary capital works.

Capital Investment: Water and Sanitation 2001/2002



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Capital Investment Patterns 2001 - 2005

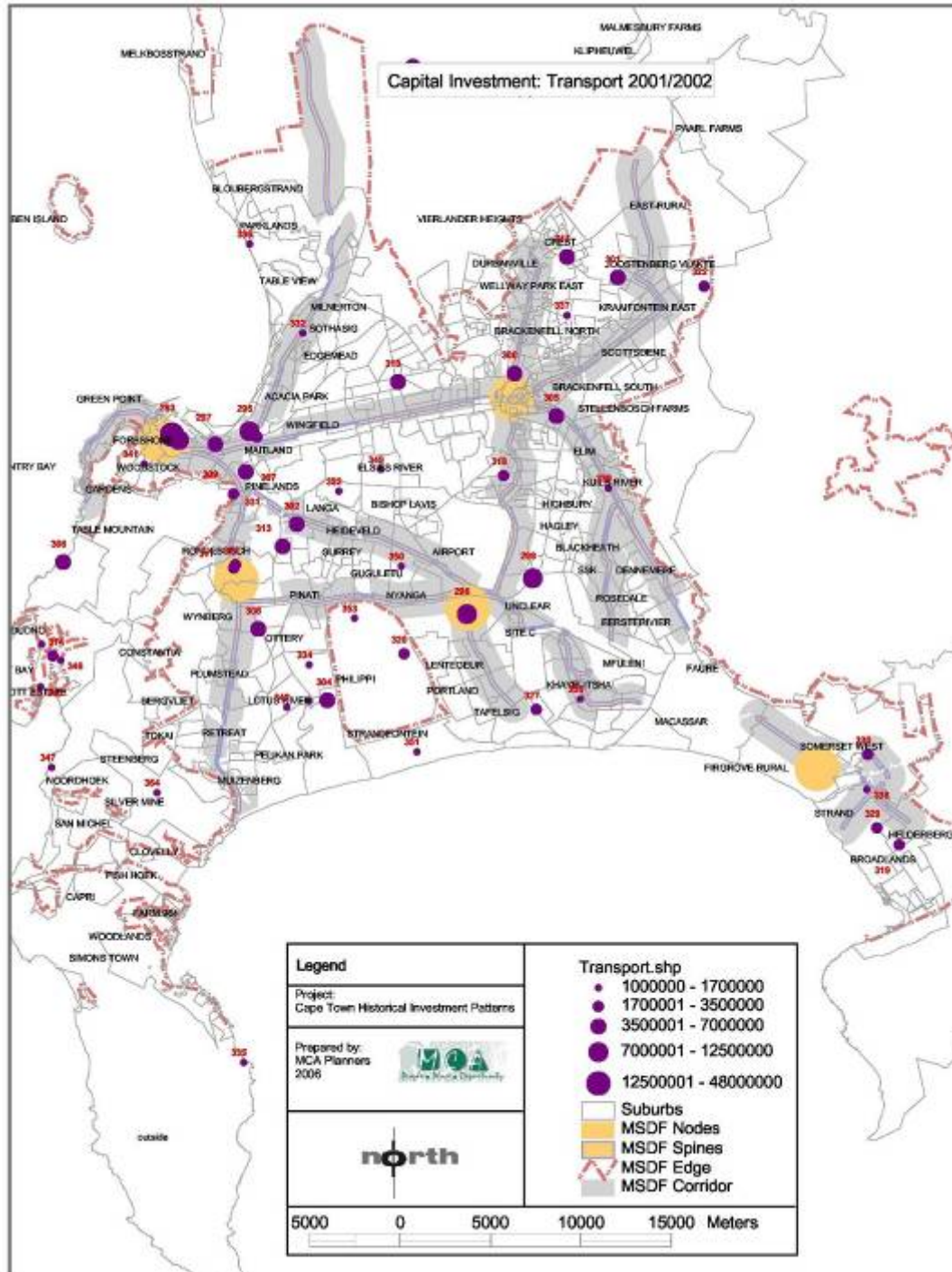





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- The institutional system which drives transport investment in the City is complex, fragmented and un-coordinated. The City of Cape Town has not been able to influence the full spectrum of transport components that constitute the transport system as a whole. Fragmentation and poor coordination between the City and 'external' agencies as well as between the sectoral departments of the City is common.
- Land use patterns and trends, particularly the rapid (peripheral) spatial expansion of the City over the last ten to fifteen years has encompassed significant road construction. Accommodating the needs of private sector development has come at significant capital costs. The majority of the total construction costs have been borne by the City, with limited developer contributions. The road network is continually being expanded through capital investment, so maintenance costs are continually rising. The maintenance burden imposed on the City as a result is enormous.

Capital Investment: Transport 2001/2002



Legend	
Project: Cape Town Historical Investment Patterns	
Prepared by: MCA Planners 2008	
	
	
	



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Capital Investment Patterns 2001 - 2005



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- The City's investment has for many years focused on road based transport, supporting and reinforcing private motor vehicle based transportation, with significant resource consumption (fuel) and pollution (emissions) implications. Currently, transport investment is responsive to housing development (largely private sector), rather than directing such development, again undermining efficiency. The existing (ever increasing) maintenance burden and underinvestment in road maintenance is also highly unsustainable. The city simply does not have the resources to continue to manage this.

The Need for Change



*Desired
scenario*

Equitable
Globally Competitive
Accessible

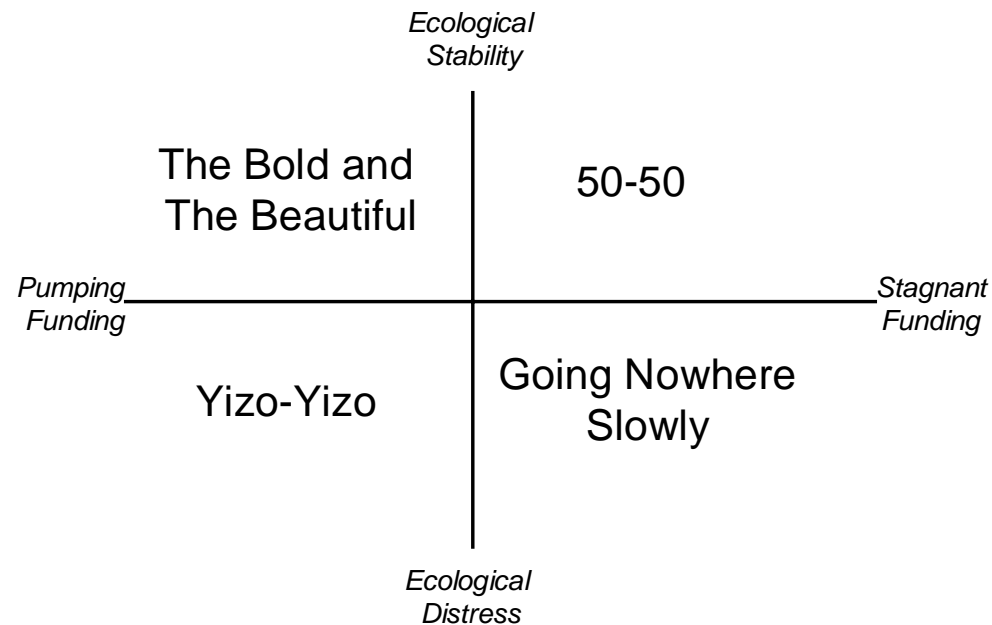


2020 Scenarios



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- Bold and Beautiful (Pumping Funding, Ecological Stability)
- 50-50 (Stagnant Funding, Ecological Stability)
- Yizo-Yizo (Pumping Funding, Ecological Distress)
- Going Nowhere Slowly (Stagnant Funding, Ecological Distress).

CONCLUSION



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- We need change in our approach in addressing challenges
- A crossroad:
 - continue with current path
 - Or change path towards shared growth
- Many challenges (i.e. HIV/AIDS, crime & housing backlog) will remain with us for long time
- Be realistic about what can be achieved

In times of drastic change it is the learners who inherit the future. The learned usually find themselves equipped to live in a world that no longer exists - *Eric Hoffer*



Thank You

Enkosi

Dankie

SOURCE: STATE OF CAPE TOWN REPORT 2006 -
DEVELOPMENT ISSUES IN CAPE TOWN (FIRST DRAFT)